Congress of the United States Washington, DC 20515

October 2, 2009

The Honorable Tom Vilsack Secretary of Agriculture U.S. Department of Agriculture 1400 Independence Avenue, S.W. Washington, D.C. 20250

Dear Mr. Secretary:

Thank you for all of your efforts to assist the U.S. pork industry after the H1N1 virus outbreak occurred earlier this year. We appreciate your advocacy for the industry by reiterating that pork is safe to eat and by requesting that other governments and organizations call the flu by its viral strain, H1N1, rather than "swine flu."

Additionally, we appreciate your recent announcement of \$30 million in USDA food aid purchases prior to the end of this fiscal year. However, because of the negative economic impact caused by the H1N1 virus outbreak and the losses the industry has incurred over the past two years, we are asking for additional help with the economic crisis the U.S. pork industry currently faces. Without your assistance, we are putting thousands of rural jobs and businesses at risk.

Since September 2007, the U.S. pork industry has lost \$4.6 billion in equity, with producers losing an average of more than \$21 on each hog marketed. A number of factors contributed to severe losses, including rising input costs and a worldwide recession. The losses were exacerbated in the weeks after the Novel H1N1 influenza story broke on April 24. From then until mid-August, U.S. pork producers' revenues declined by \$991 million from the level expected before the H1N1 crisis began. Based on September 1st hog, corn and soybean futures prices, accumulated losses will rise to \$2.185 billion by the end of 2009.

To put the pork industry economic crisis in perspective, a typical producer with 1,500 sows who sells 30,000 pigs per year will have lost \$1.07 million dollars since monthly losses began in October 2007. Based on USDA data and September 1st futures prices, that same producer stands to lose \$20.14, \$30.16, \$38.22, \$45.60 and \$39.21 for each hog sold in August through December, respectively. Selling 2,500 hogs per month means an additional loss of \$433,329 by year's end. This is and will continue to be a devastating blow to the U.S. pork industry unless emergency assistance becomes available soon.

Mr. Secretary, we urge you to take the following actions to provide much-needed emergency relief to the industry:

• Purchase an additional \$100 million, from Section 32 funds, of pork for various federal food programs with a maximum emphasis on purchasing meat from sows with the objective to reduce breeding stock to reduce hog numbers

- Work with appropriate federal agencies to help address swine disease surveillance on farms, related diagnostic and vaccine development, and swine industry support.
- Work with the U.S. Trade Representative to open export markets to U.S. pork, particularly China, which continues to impose non-science-based restrictions on U.S. pork since the outbreak of H1N1. In 2008, China was the second largest volume market for U.S. pork exports, accounting for nearly 20 percent of total U.S. pork exports. Given the severely depressed state of the U.S. pork industry, resuming pork exports to China would give producers around the country a muchneeded economic boost.

In addition to the requests listed above, we would appreciate if you and your staff would continue to review other USDA programs to see if there are additional opportunities for assistance to aid the U.S. pork industry

Again, we ask that you take immediate action to assist the pork industry to help producers during this emergency situation before more jobs are lost and more producers go out of business.

Thank you for your consideration of this urgent request.

Sincerely,

Tim Walz

Member of Congress

Member of Congress

Frank Lucas

Member of Congress

John Boehner

Collin Peterson

Member of Congress

Jerry Moras

Member of Congress

David Scott

Member of Congress

Jerry Moran

Member of Congress

Phil Hare

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Kurt Schrader Member of Congress

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Steve Kagen Member of Congress

Brad Miller Member of Congress

Randy Neuge auer

Member of Congress

John Kline

Member of Congress

Phil Roe

Member of Congress

Zack Space Member of Congress

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Howard Coble

Member of Congress

Jim Jordan Member of congress

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